

**OGC Has Reviewed**

ADVERTISING

Necessity or Nonnecessity.

26 July 1949

The Executive

General Counsel

Negotiation of Contracts

REFERENCE: Memorandum of Services Officer to Executive, 20 July 1949, sub-  
ject: [REDACTED]

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2. This power to negotiate could be exercised by the Contracting Officers of the Agency at any time after passage of the Act, except for the restriction imposed by the Director in [REDACTED]. There is, therefore, no legal objection to approval by the Director of an exception to this Notice allowing negotiation of contracts of \$1,000.00 or under. [REDACTED]

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3. You will note that Section 2, (c) of Public Law 413 states that "such purchases and contracts may be negotiated by the agency head" (emphasis added). "Agency head" for our purpose is defined as the Director, Deputy Director or the Executive. Consequently, negotiated contracts in excess of the normal statutory limit and not exceeding \$1,000.00 must be approved for negotiation by the Agency head as defined above.

Encls:  
Draft of memo

LAWRENCE R. HOUSTON

LRHouston:cmr

cc: Carano  
Subject  
Legal Decisions